

SHD Paraphrased Regulations - Food Stamps

220 CA7s

221-1 REVISED 8/04

Under MR/RB, the county shall terminate a monthly reporting household's participation in the FS Program if the household fails to submit a complete CA 7 form by the extended filing date. (§63-504.361(b) prior to implementation of QR/PB in the county)

221-2 REVISED 8/04

Under MR/RB, an essential element of a complete CA 7 is that it be dated no earlier than the first of the report month. This requirement is met when the date entered on the CA 7, together with other dated material provided with the form, and the date on which the county mailed or gave the form to the household clearly establishes the month and year to which the CA 7 applies. (§63-504.321 prior to the implementation of QR/PB in the county)

221-2A REVISED 4/04

Under MR/RB, to be considered complete, the CW 7 must be signed by the head of the household, authorized representative, or responsible household member. (63-504.323 prior to the implementation of QR/PB in the county)

221-3 REVISED 8/04

Under MR/RB, all questions and items pertaining to FS eligibility and benefit levels must be fully answered on the CA 7 form and provide the county with the information to correctly determine eligibility and benefit level (except those specified in §§63-504.324(c) and (d), and 63-505.311 prior to the implementation of QR/PB in the county). To be considered fully answered, the information on the CA 7, together with attached documentation, must provide sufficient information to allow for the determination of eligibility and/or benefit level. (§63-504.324 prior to the implementation of QR/PB in the county)

221-4 REVISED 8/04

Under MR/RB, except for certain designated households who are excluded from monthly reporting and retrospective budgeting, all households participating in the FS Program shall report household circumstances on the CA 7 as a condition of eligibility. Households shall not be required to submit any reports of changes other than on the CA 7. (§63-505.2 prior to the implementation of QR/PB in the county)

221-5 REVISED 2/05

The "extended filing date" in a monthly reporting system is defined as the close of business on the first working day of the issuance month and is the final date by which the household must submit a complete CA 7, including all required verification, without penalty of termination of eligibility or disallowance of deductions.

In a quarterly reporting system, the "extended filing date" is the close of business on the first working day of the new QR quarter and is the final date the household must complete the QR 7 including all required verification, without penalty of termination of eligibility or disallowance of deductions.

(§63-102(e)(5))

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Federal regulations provide that the state agency shall provide special assistance in completing and filing monthly reports (in states which adopt monthly reporting and retrospective budgeting) to FS households whose adult members are all either mentally or physically handicapped or are non-English speaking or otherwise lacking in reading and writing skills such that they cannot complete and file the monthly reports. (7 Code of Federal Regulations §273.21(c)(7))

221-7

Federal regulations provide that when an eligible FS household (HH) which has been terminated for failure to file a complete monthly report, files the report after its extended filing date, but before the end of the issuance month, the state agency may choose to reinstate the HH and allow it to participate.

If the HH has requested a fair hearing on the basis that a complete monthly report was filed, the state agency shall reinstate the HH if a completed monthly report is filed before the end of the issuance month.

(7 Code of Federal Regulations §273.21(k)(2)(ii))

221-8

Federal regulations require that the state agency's monthly report form shall meet the bilingual requirements described in 7 Code of Federal Regulations (CFR) §272.4(b). (7 CFR §273.21(h)(2)(ii))

221-9 REVISED 8/04

The following households are excluded from monthly reporting and retrospective budgeting prior to QR/PB and excluded from quarterly reporting when QR/PB is implemented in the county:

- .211 "Migrant farmworker" households (§63-102(m))
- .212 "Seasonal farmworker" households (§63-102(s))
- .213 Households with no earned income, and in which all adult members are "elderly or disabled" (§63-102(e))
- .214 Households in which all members are "homeless" (§63-102(h)(1))
- .215 Households residing on Indian reservations.

(§63-505.21)

222-1 REVISED 8/04

Under MR/RB, the county shall require households to submit verification of the items listed in §63-504.341 with the CA 7. If the household submits the CA 7 by the date the county mails the notice, but fails to provide the required verification/information with the CA 7, the county shall notify the household of the need to submit the missing verification by the extended filing date. If the household fails to provide the missing verification pertaining to deductions by the extended filing date, the county shall not consider the CA

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7 incomplete, but shall instead disallow any deduction for which the household has not provided verification. (§63-504.34 prior to the implementation of QR/PB in the county)

222-2 REVISED 8/04

Under MR/RB, the household shall provide verification of the following items with the CA 7:

- (a) Dependent care costs which have changed, or when there is questionable information.
- (b) Medical expenses, if those expenses would increase the household's allotment.
- (c) Utility costs which entitle the household to the Standard Utility Allowance (SUA) when first allowed and when the household moves.
- (d) Actual utility costs if the household is claiming the actual expenses, when first allowed as a deduction, or if a change in amount is reported, or when there is a move.
- (e) Expenses incurred in producing self-employment income.
- (f) Residency, when changed.
- (g) Social Security numbers, or citizenship or alien status when there is a change.
- (h) A change in the legal obligation to pay child support to a person not in the FS household, or an increase in the amount of child support payments.

(§63-504.341 prior to implementation of QR/PB in the county)

222-3 REVISED 8/04

Under MR/RB, if the household submits information and/or verification with the CA 7 which the county determines to be questionable, in accordance with §63-300.53 [actually §63-300.5(g), effective February 21, 2002], the county shall notify the household and allow the household until the extended filing date to submit the necessary verification/clarification. If the household fails to submit the necessary verification/clarification by the extended filing date, the county shall act on the reported verification if it results in a decrease in benefits, or not act on the reported information if it results in an increase. (§63-504.343 prior to the implementation of QR/PB in the county; 63-300.53, revised to §63-300.5(g))

222-4 REVISED 8/04

Under MR/RB, a complete CA 7 form must include verification of gross nonexcluded earned income each month and verification of nonexcluded unearned income when first reported and when there is a change. This requirement does not apply to child/spousal support disregard payments or PA, GA, FC, RCA, or ECA payments paid by the county. (§63-504.325 prior to the implementation of QR/PB in the county)

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222-5 REVISED 8/04

Under MR/RB, if the Standard Utility Allowance is claimed, the CA 7 shall provide verification when the Standard Utility Allowance is first allowed and when the household moves. (§63-504.341(c), as renumbered effective January 1, 2002 prior to the implementation of QR/PB in the county)

222-6

In order to comply with the *Saldivar v. McMahon* court order, counties must ensure that any CA 7 which is complete, as defined by §63-504.32, be processed. This includes the processing of a reported and verified income change. In all cases where the CA 7 is complete for FS, the county shall take the appropriate action on all reported and verified income changes or other eligibility factors.

If the CA 7 is complete, but missing information/verification of a deduction(s), the county shall use either Option 1 or 2.

Option 1: The county must act upon a complete CA 7 which reports changes in income or other eligibility factors, but will not disallow any unverified deduction(s).

If income or other eligibility factors are involved, send a timely Notice of Action (NOA) informing the household that the allotment has changed, based on reported and verified information. The allotment amount should be computed using previously verified deduction amount(s). Also check the "Proposed Change in Benefits" box as a reminder to the household that verification/information of a claimed deduction is missing.

- If verification/information is received too late to effect any resultant decreases, the county shall issue the amount shown on the timely notice without disallowing the unverified deduction.

If no change in income has occurred, send a timely NOA, checking only the "Proposed Change in Benefits" box as a reminder to the household that verification/information of deduction(s) is missing.

- If verification/information is received too late to effect any resultant decreases, issue previous month's allotment.

Option 2: The county must act upon a complete CA 7 which reports changes in income or other eligibility factors, and will disallow any unverified deduction(s).

If income or other eligibility factors are involved, send a timely NOA (may be a combination NOA and reminder notice) informing the household that the allotment has changed because of increased income and also reflects the disallowance of the unverified deduction(s).

- If verification/information is received before the extended filing date, issue a supplement to reflect correct deduction amount(s) if the county cannot include the supplement in the household's normal issuance.

If no change in income has occurred, send a timely NOA informing the household of the effect of the disallowance of the unverified deduction(s) on the allotment amount.

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- If verification/information is received before the extended filing date, issue a supplement to reflect the correct deduction amount(s) if the county cannot include the supplement in the household's normal issuance.

Each county using Option 2 must ensure that the NOA is timely, and the explanation is adequate. This means that the notice must inform the household in easily understood language, of the reason for the proposed change; how to remedy the negative action, if appropriate, and the effect the remedy will have on the allotment level; what the extended filing date is; and that the county will do to assist the recipient, if necessary.

(All-County Letter No. 84-74, July 11, 1984)

222-7 REVISED 8/04

Under MR/RB the county may elect to require verification of housing costs when first allowed as a deduction, and when there is a move, "as specified in Section 63-300.52". (§63-504.342, effective January 1, 2000 prior to the implementation of QR/PB in the county. There has been no §63-300.52 since February 21, 2002.)

223-1 REVISED 8/04

Under MR/RB, the county shall require households to submit verification of the items listed in §63-504.341 with the CA 7. If the household submits the CA 7 by the date the county mails the notice, but fails to provide the required verification/information with the CA 7, the county shall notify the household of the need to submit the missing verification by the extended filing date. If the household fails to provide the missing verification pertaining to deductions by the extended filing date, the county shall not consider the CA 7 incomplete, but shall instead disallow any deduction for which the household has not provided verification. (§63-504.34 prior to implementation of QR/PB in the county)

223-3 REVISED 8/04

The Notice of Action sent when the household fails to file a CA 7/QR 7 by the 11th of the report/submit month or files an incomplete CA 7/QR 7 shall include:

- (a) That the CA 7/QR 7 is overdue or incomplete.
- (b) What the household must do to complete the CA 7/QR 7.
- (c) What verification is missing and the effect on the household's benefit level.
- (d) That the SSN of a new member must be reported.
- (e) The extended filing date.
- (f) That the county will assist the household in completing the report.

(§63-504.271 prior to the implementation of QR/PB; §63-508.61 effective July 1, 2004)

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226-1 REVISED 8/04

The following households are excluded from monthly reporting and retrospective budgeting prior to QR/PB and from quarterly reporting with the implementation of QR/PB in the county:

- .211 "Migrant farmworker" households (§63-102(m))
- .212 "Seasonal farmworker" households (§63-102(s))
- .213 Households with no earned income, and in which all adult members are "elderly or disabled" (§63-102(e))
- .214 Households in which all members are "homeless" (§63-102(h)(1))
- .215 Households residing on Indian reservations.

(§63-505.21)

226-1A ADDED 8/04

Change reporting household means a household consisting of seasonal and/or migrant farmworkers, all elderly or disabled individuals or households with all homeless individuals. These household are required to report income, resource and household circumstance changes within 10 days of the occurrence. Benefits are increased or decreased based on these reported changes. (§63-102(c)(11))

227-1 ADDED 2/04

AB 444 requires the CDSS to replace the current monthly reporting/retrospective budgeting system (MRRB) with a Quarterly Reporting/Prospective Budgeting system (QR/PB) for CalWORKs. This bill also requires CDSS to adopt the QR/PB system in the food stamp program to the extent permitted by federal law and regulations. AB 444 also directs the Department to implement the statute initially through All County Letter followed by emergency regulations. (All-County Letter No. 03-18, April 29, 2003, pages 1-2)

227-1A ADDED 8/04

Monthly Reporting/Retrospective Budgeting (MR/RB) subsections shall become inoperative and Quarterly Reporting/Prospective Budgeting (QR/PB) subsections shall become operative in the county on the date QR/PB becomes effective in that county pursuant to the California Department of Social Services CDSS Director's QR/PB declaration.

With the exception of nonmonthly reporting households (now called change reporting), all QR/PB regulations must be applied to food stamp households no later than July 1, 2004.

(§63-034.2, .3)

227-2 REVISED 5/05

The following terms apply in the QR/PB reporting system:

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CWD Initiated Mid-Quarter Actions-Changes in eligibility status based on case information that the county is required to act on mid-quarter. (63-102(c)(13))

Income Reporting Threshold (IRT)-A mandatory mid-quarter reporting requirement for CalWORKs cases only. The IRT is 130% of the Federal Poverty Level (FPL) or the level at which the assistance unit becomes financially ineligible. It applies when anyone in the assistance unit or person who is included in the family MAP has earned income or begins receiving earned income. In such case, the assistance unit must report within 10 days when combined earned and unearned income exceeds the IRT. (§63-102(i)(6))

Mandatory Recipient Mid-Quarter Reporting-Reports the recipient is required to make within 10 days of the date the change becomes known to the household. (§63-509(b)(1))

QR/PB Implementation Month-The month all county cases are converted to prospective budgeting. (§63-102(q)(1))

QR Data Month-The month for which the recipient reports all information necessary for the county to determine eligibility. It is the second month in the quarter. (§63-102(q)(2))

QR Payment Quarter-The future quarter in which benefits are paid/issued. It begins the first day following the QR Submit Month. (§63-102(q)(4))

QR Submit Month-The month in which the recipient must submit the QR 7 to the county. It is the third month in each quarter. (§63-102(q)(5))

Reasonably Anticipated Income-Income that has been or will be approved or authorized as of a date within the upcoming QR Payment Quarter, or household is otherwise reasonably certain that the income will be received within the quarter; and the amount of income is known. (§63-102(r)(1) also includes reasonably anticipated expenses)

Voluntary Recipient Mid-Quarter Reports-Mid-quarter changes in income and circumstances that the recipient may make in writing, verbally or in person during the quarter. Counties may only take action to increase benefits based on voluntary mid-quarter reports. Counties may not decrease benefits based on voluntary mid-quarter reports. (§63-509(d))

227-2A ADDED 8/04

Mid-quarter change means any change reported during the QR Payment Quarter that is outside the QR 7 report process. There are two types of mid-quarter reports: (1) mandatory reports the household must make within 10 days and (2) voluntary reports the household may make at any time during the quarter. The county shall only take action to increase benefits as a result of a voluntary report and shall take no action to decrease benefits. (§63-102(m)(7))

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227-3A ADDED 8/04

Under QR/PB, except for certain designated households who are excluded from quarterly reporting, all households participating in the FS Program shall report household circumstances on the QR 7 as a condition of eligibility. Households will also be required to report changes as specified in §§63-508 and 63-509, other than on the QR 7. (§63-505.2 effective July 1, 2004)

227-3B ADDED 8/04

Eligibility and benefit amounts will be determined on a quarterly basis from information reported by the recipient on the QR 7, using prospective budgeting. The QR 7 will be required to be submitted once per quarter, in the third month of the quarter. (§63-508.11,.12)

227-3C ADDED 8/04

Counties shall ensure that households receive the QR 7 at the end of the QR Data Month and no later than the first day of the QR Submit Month. Information reported on the QR 7 shall be used to determine eligibility and to prospectively budget income to determine the benefit level for the upcoming QR Payment Quarter. (§63-508.31)

227-3D REVISED 11/05

Recipients will be required to report on the QR 7 all income received for the QR Data Month, any changes in household composition or property since the last Data Month and any changes in income the recipient anticipates will occur in the upcoming QR Payment Quarter. (§63-508.321)

227-3E ADDED 8/04

An essential element of a complete QR 7 is that it be dated no earlier than the first of the submit month. This requirement is met when the date entered on the QR 7, together with other dated material provided with the form, and the date on which the county mailed or gave the form to the household clearly establishes the month and year to which the QR 7 applies.

This requirement shall not apply when the first day of the QR Submit Month falls on a non-postal delivery day; the QR 7 is mailed for delivery on the last postal delivery day of the QR Data Month; and the recipient signs and dates the QR 7 on or before the last day of the QR Data Month.

(§63-508.411)

227-3F ADDED 8/04

To be considered complete, the QR 7 must be signed by the head of the household, authorized representative, or responsible household member. (63-508.43)

227-3G ADDED 8/04

All questions and items pertaining to FS eligibility and benefit levels must be fully answered on the QR 7 form and provide the county with the information to correctly determine eligibility and benefit level (except information regarding child/spousal support disregard payments) To be considered fully answered, the information on the QR 7, together with attached documentation, must provide sufficient information to allow for the determination of eligibility and/or benefit level. (§63-508.44)

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227-3H ADDED 8/04

The QR 7 form must include verification of gross nonexcluded earned income for the Data Month and verification of nonexcluded unearned income when first reported and when there is a change. This requirement does not apply to child/spousal support disregard payments or PA, GA, FC, RCA, or ECA payments paid by the county. (§63-508.45)

227-3I REVISED 11/05

Questions on the QR 7 shall not be considered fully answered if situations such as, but not limited to the following exist:

- The QR 7 does not include information on changes that the household has previously reported to have occurred; for example, an actual change that the household reported to the county by telephone mid-quarter was not included on the QR 7.
- The QR 7 does not include information that was reported on the previous QR 7 and the household does not indicate a change has occurred (e.g., the household previously reported earnings from two sources and only reported income from one source on the current QR 7).
- If elements pertaining to one program's requirements are missing from the QR 7, the QR 7 shall be considered incomplete for that program only.
- The county shall not consider the QR 7 incomplete if information regarding child support/spousal support disregard payments has not been included.

(§63-508.44)

227-4B ADDED 8/04

The county shall send a notice of action no later than 10 days before the end of the QR Submit Month and give the household until the extended filing date to file a complete QR 7. If a household responds to the notice of action by submitting an incomplete QR 7, the county does not need to issue a second notice of action.

Under QR/PB rules, an overissuance will be established when the county is unable to decrease benefits due to the 10-day noticing provisions.

(§§63-508.62, .623 (Handbook))

227-4C ADDED 8/04

The Notice of Action sent when the household fails to file a QR 7 by the 11th of the report/submit month or files an incomplete QR 7 shall include:

- (a) That the QR 7 is overdue or incomplete.
- (b) What the household must do to complete the QR 7.
- (c) What verification is missing and the effect on the household's benefit level.

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- (d) That the SSN of a new member must be reported.
- (e) The extended filing date.
- (f) That the county will assist the household in completing the report.

(§63-508.61)

227-4D ADDED 8/04

The household shall be terminated from food stamps if:

- There is no eligibility in the upcoming QR Payment Quarter;
- A complete QR 7 is not submitted by the first working day of the new QR Payment Quarter;
- There is a failure to comply with a non-financial eligibility requirement such as the work registration requirement; or
- Termination of benefits is requested in writing.

(63-508.53)

227-4E ADDED 2/05

The “implementation month” for QR for the county is the month in which all cases are converted to prospective budgeting. Counties will need to determine the income and family composition that will most accurately reflect the household’s anticipated circumstances for the implementation month.

In order to do this, counties must require that each recipient household provide a final CW 7 in the month prior to transitioning to prospective budgeting. This CW 7 will provide a “snapshot” of the household’s circumstances from the month prior to the report being submitted and should also indicate any other changes the household anticipates for future months.

Counties will need to use this reported information as a “reasonable estimate” of the household’s future circumstances to determine cash aid and food stamp benefits in the first prospectively budgeted month.

CDSS recommends the use of a supplemental form to be used in conjunction with the last CW 7 so the county can obtain adequate information to determine anticipated income for the first QR Payment Quarter.

(All County Letter 03-18, April 29, 2003, page 80)

227-5 ADDED 2/04

If the recipient provides the QR 7 after the 11th of the QR Submit Month but by the 1st of the next month, the county shall rescind the cash aid and food stamp discontinuance and reinstate benefits at the prior level. Under QR/PB rules, there will be an

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overpayment/overissuance in the first month of the next QR Payment Quarter when the county is unable to decrease benefits because it could not issue 10-day notice when the recipient submitted a QR 7 late in the month or by the first of the next month.

The county may decrease benefits for both CalWORKs and food stamps in the second month of the QR Payment Quarter. (All-County Letter No. 03-18, April 29, 2003, p.12)

227-6 ADDED 8/04

If a household reapplies for food stamps after being discontinued for failure to submit a complete QR 7, the county shall determine if the household had good cause for failure to return the QR 7. Good cause must be determined using the criteria listed in §40-181.23 in CalWORKs. If good cause is determined, the county shall rescind the discontinuance. (§63-508.64)

227-7 REVISED 5/05

Eligibility and benefit amounts will be determined on a quarterly basis from information reported by the recipient on the QR 7. Prospective budgeting rules will be used. (§63-508.11)

227-7E ADDED 2/04

Except when specified, counties must average income that the assistance unit/household expects to receive over the QR Payment Quarter based on what the assistance unit/household reports on the QR 7 and use average monthly income to determine monthly benefits. Once the level and frequency of pay has been determined, the county must take the following income averaging steps to determine monthly average income:

- Add reasonably anticipated gross earned income for each month of the quarter and divide by three.
- Add reasonably anticipated disability based unearned income for each month and divide by three (CalWORKs only).
- Add reasonably anticipated gross unearned income for each month of the quarter and divide by three.
- Apply all applicable disregards for each income to averaged income amounts.
- Total all income of each type to determine average net non-exempt income.

For both CalWORKs and food stamps, averaged income is rounded down to the next lower dollar.

(All-County Letter No. 03-18, April 29, 2003, pp.24-25; All-County Information Notice I-54-03, question and answer 9)

227-8B REVISED 8/04

Resource eligibility is determined once per quarter. Information reported on the QR 7 is used to determine continuing resource eligibility for the entire upcoming QR Payment

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Quarter. No other resource eligibility assessment may be made for that QR Payment Quarter. (§63-508.66)

227-10 REVISED 8/04

Under QR/PB, recipients are mandated to report specified changes to the county within 10 days of the date the change became known to the assistance unit/household.

These reported changes are in addition to the requirement to report income on the QR 7 report. Recipients may report these changes in the quarter (i.e., mid-quarter) verbally or in writing. The Mid-Quarter Report Form (QR 3) is a form for a recipient to report a mid-quarter change.

The following are mandatory items for the recipient to report:

- In Food Stamp cases, recipients must report address changes.
- In Non-Assistance Food Stamp cases, recipients who are required to meet the ABAWD work requirement must report any reduction in number of hours worked less than 20 hours per week or 80 per month.
- In CalWORKs cases, recipients must report drug felony convictions, fleeing felon status, violation of conditions of probation or parole, address changes and when income exceeds the IRT.

(All-County Letter No. 03-18, April 29, 2003, pp.31-32; §63-508.13)

227-10F ADDED 2/04

For reports of income that exceed the IRT, verification will not be required prior to taking action to discontinue CalWORKs and food stamps. For voluntary reports of increased income, the recipient must verify the decrease prior to the benefits being increased. (All-County Information Notice No. I-54-03, August 27, 2003, question and answer 4B)

227-11 ADDED 2/04

In both CalWORKs and food stamps, if the assistance unit/household reports a drug felony conviction, fleeing felon status or violation of a condition of probation or parole, but the county is not able to provide 10-day notice to delete the individual involved, the county may not take the adverse action, but must issue benefits at the prior level.

In CalWORKs, the benefits issued at the higher prior level is an overpayment regardless of whether the assistance unit reported the change timely or not.

In food stamps, no overissuance would be established if the household reported the change within 10 days. An overissuance would be established if the household failed to report the change within 10 days.

(All-County Letter No. 03-18, April 29, 2003, pp.35)

227-11A ADDED 2/04

When a recipient reports moving to another county, counties must follow inter-county transfer (ICT) rules found at MPP §§40-187 through 40-197. For food stamp purposes, the recipient's must reapply for food stamps in the second county. However, the first

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county will discontinue food stamps to coincide with the transfer period of the CalWORKs case. Thus if a recipient informs county A on February 5 that she moved to county B, county A will discontinue food stamps effective March 31 to coincide with the transfer of the CalWORKs case.

When a recipient moves from County A to County B, when County B assumes responsibility for the newly transferred case, County B will establish the new benefit amount based on their budgeting method and using their reporting cycle. When a case is transferred from a QR/PB county to a retrospective budgeting county (MRRB), the MRRB county must use prospective budgeting to determine the first two months of aid/benefits, similar to how a new application is handled.

(All-County Letter No. 03-18, April 29, 2003, pp.36; All-County Information Notice No. I-54-03, August 27, 2003, question and answer 14)

227-12A REVISED 5/05

In some cases, voluntarily reported changes may result in an increase in benefits in one program and a decrease in benefits in the other program. The county must take action to increase benefits but must suppress the decrease in the other program's benefits. (§63-509(d)(2))

227-12B REVISED 5/05

Increases in benefits due to decreased income are effective the first of the month in which the change is reported. Increases due to the addition of a new household member are effective the first of the month following the report of the change. (§63-509(d)(4))

227-12C ADDED 11/05

If a new household member is reported on the QR 7 and the household is determined ineligible based on Data Month information, the county shall discontinue benefits after providing timely (10 day) notice

If the household was initially determined eligible based on Data Month information, and prior to authorization of benefits the county learns in the Submit Month that the new member is ineligible, that information is considered a mid-quarter voluntary report. However, the new member is considered an excluded household member and income and resources are treated under §63-503.442 (resources are counted in their entirety and a pro rata share of income counted as income to other household members)

The individual is treated as an excluded household member until the next QR 7.

(§63-508.654(c)(1))

227-12E REVISED 5/05

A "no change" notice of action shall be sent to the recipient when benefits cannot be increased. The notice of action must remind the recipient to re-report the change on the QR 7. (§63-509(d)(7))

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227-12I ADDED 8/04

When a recipient submits a QR 7 subsequent to making mid-quarter report of a change, the county must review changes reported on the QR 7 to ensure that the mid-quarter reported change is also reflected on the QR 7. If information on the QR 7 is not consistent with the change reported mid-quarter, the county shall attempt to contact the recipient to resolve the discrepancy. The QR 7 shall be considered incomplete if the county is unable to contact the recipient to resolve the discrepancy. (§63-508.653)

227-13 REVISED 5/05

In the QR/PB system, if the household voluntarily requests the county to discontinue benefits for an individual or the entire household, the county shall take action to decrease or discontinue benefits as appropriate. If the request is a verbal request, the county must provide adequate and timely notice of the reduction or discontinuance. If the request is in writing, the county must still send adequate notice at the end of the month. (§63-509(g)(1))

227-16A ADDED 2/04

If a recipient fails to report income any time he/she is required to report, or the county fails to act correctly when a recipient reports income, the county shall determine benefits the recipient would have received based on an accurate report of income and correct county action on that report. The overpayment/overissuance begins on the first date the change would have been made based on an accurate recipient report.

Example: The assistance unit/household has income that exceeded the IRT since January 5, 2002. The assistance unit/household never reported this income and the county discovers this failure to report income. Since the assistance unit/household was required to report this income within 10 days (i.e., by January 15), the assistance unit/household was financially ineligible effective January 31 and the overpayment/overissuance is established effective February 2002.

Example: The assistance unit/household submits a QR 7 on March 5 and reports that dad started a job on February 10 and that the income is expected to continue. The income does not exceed the IRT. The county fails to consider the income in issuing the CalWORKs grant and food stamp allotment beginning in April. If the increased income should have resulted in lower benefits, the county must establish an overpayment/overissuance beginning in April.

(All-County Letter No. 03-18, April 29, 2003, p.70)

227-16B ADDED 2/04

Changes that are not required to be reported, but that may voluntarily be reported should not be considered when determining whether there is an overpayment/overissuance. Voluntary changes need only be reported on the QR 7 that follows the change.

Example: Dad moves back into an assistance unit on January 16. He is employed full time. The assistance unit submits a QR 7 in March for the February report month, but does not report this change on the QR 7 or at any other time. The county discovers in December that dad has been in the home since January. Because there is no deprivation the assistance unit is not eligible for CalWORKs. However, the assistance

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unit was not required to report dad in the home until it completed the QR 7 in March for the February report month. The first month of overpayment is April.

Example: A recipient assigned to the January-March quarter correctly reports on the QR 7 due in March that the assistance unit/household has not acquired new property since the last QR 7. In April the recipient wins a car but sells it for fair market value in May and spends the money on bills. The recipient reports these facts on the QR 7 due in June. Since the assistance unit/household is property eligible in July-September quarter based on the June QR 7 and was not required to report the property mid-quarter, the county does not establish a property overpayment/overissuance for April-June. (All-County Letter No. 03-18, April 29, 2003, p.71)

227-16C ADDED 2/04

In the QR/PB system, the only time an assistance unit /household is required to report property is on the QR 7. Property related overpayments/overissuances will be determined based on information that should have been reported on the QR 7. An assistance unit/household is only required to report property when property exceeds the limit in the second month of the quarter (i.e., the QR Data Month).

If a recipient owned property that exceeded the resource limit in the second month of the quarter and failed to report it on the QR 7, or if the county failed to act correctly on a report of property that exceeds the limit, the county shall determine the benefits the assistance unit/household should have received. (All-County Letter No. 03-18, April 29, 2003, p.72)

227-16E ADDED 2/04

No overpayment/overissuance or underpayment/underissuance shall be assessed when actual income received during the quarter differs from the amount of income reasonably anticipated, as long as the recipient met his/her reporting responsibilities. No reconciling based on actual income is done if reporting requirements are met accurately and completely and the county averaged and issued benefits based on reasonably anticipated income.

Reconciling beginning months of CalWORKs to determine the correct grant amount does not apply in QR/PB rules. (All-County Letter No. 03-18, April 29, 2003, p.74)

227-16F REVISED 5/05

Recoupment of an overpayment/overissuance will only be initiated at the beginning of a quarter. If the county completes recoupment of one overpayment /overissuance in mid-quarter and wishes to initiate recoupment of another overpayment/overissuance in the following month, the county may begin such recoupment as long as the amount being adjusted does not result in a decrease in benefits mid-quarter. (§63-801.737)

227-17 ADDED 2/04

If the county determines that the assistance unit/household received an underpayment/underissuance due to county error, the county must take action to restore those benefits. Restoration is based on QR rules. The county may not use actual verified income to reconcile against prospectively budgeted income that was used in the benefit calculation as income that was "reasonably anticipated" at the time benefits were calculated.

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As an example, in CalWORKs an underpayment should be provided for an assistance unit for any pregnant/parenting teen who had previously been aided as a dependent child and who had a break in aid between being aided in their parent/caretaker relative's assistance unit and establishing her own assistance unit. (All-County Letter No. 03-18, April 29, 2003, p.73)

227-18 ADDED 2/04

Counties have options how to establish quarterly reporting cycles. Applicants and recipients shall be assigned to specific reporting cycles in one of the following ways:

- The application date;
- The terminal digit of the case number; or
- Some other method determined by the county.

(All-County Letter No. 03-18, April 29, 2003, p.77)

227-18A ADDED 2/05

Instances will occur when reporting cycles between CalWORKs and food stamps could vary and may need to be aligned together. The general rule for doing this is for the CalWORKs program to align its cycle with an existing food stamp household's reporting cycle, and for both programs to align their redeterminations and recertifications in the QR Submit Month. There may also be instances where the Food Stamps program can align a reporting cycle to an existing CalWORKs reporting cycle.

(§63-508.22)